

**Audit Committee – 23 March 2021**

**External Audit – Informing the audit risk assessment**

**1. Summary of report**

- 1.1 Audit arrangements require Grant Thornton (our External Auditors) to formally update their understanding of management's processes and arrangements annually. As part of their work Grant Thornton (GT) are required to obtain an understanding of these including in relation to:
- General enquiries of management
  - Fraud risk assessment
  - Impact of laws and regulations
  - Going concern considerations
  - Related parties
  - Accounting estimates
- 1.2 Grant Thornton have formally requested responses from the council to a number of questions covering the areas set out above which are attached as Appendix 1.

**2. Recommendations:**

- 2.1 Audit Committee is requested to consider and endorse the management responses to the series of questions set out in Appendix 1

**3. Governance**

- 3.1 Each year the council's External Auditors, under Accounting Standards, are required, as part of their risk assessment procedures, to obtain an understanding of management processes and the Audit Committee's oversight of the council's governance arrangements. Our auditors have produced a series of questions covering the key issues. Management have provided responses to these.

**4. Resource and legal considerations**

- 4.1 The report sets out and responds to a number of questions in relation to management arrangements in respect of laws and regulations and the Audit Committee's oversight of these arrangements.

**5. Performance and risk management issues**

- 5.1 Performance and risk management is embedded in the council's processes. Management arrangements in respect of fraud and the going concern concept are set out in the report.

**6. Equality implications**

- 6.1 None directly associated with this report.

## **7. Consultation**

- 7.1 Management responses have been drafted from discussions with the Interim Director – Finance, Corporate Performance Management and Corporate Landlord, Head of Finance, S151 Officer and the Monitoring Officer. The responses were also reported to Corporate Management Team for consultation and comment.

## **8. Background Papers**

- 8.1 Various working papers.



**Vicky Buckley – Interim Director of Finance, Corporate Performance Management and Corporate Landlord**

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